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Montana State Fund Guardian

November 1997

Early Reporting Benefits Everyone

Guest article by Nance Hughes

One of the most important benefits of early reporting is overall cost savings for everyone. A closed claim study in FY97 reported an overall cost savings of 32% on claims reported within 14 days compared to those reported after 14 days. Savings for us translates into reduced premiums for our policyholders.

Injured workers also benefit. When a claim is reported early, we can provide the critical attention to their injury, better manage the medical costs, and provide timely compensation checks. Early reporting further enables us to get the injured worker back to work as early as possible. It has also been indicated that early reporting is a key factor to reduce attorney involvement, which can greatly increase the cost of a claim.

We need to work together to educate our policyholders, claimants, and providers on the importance of early reporting. This means emphasizing that **immediate** reporting is best. Here is how you can help...

Underwriting: When talking with policyholders, please mention the importance of early reporting to reduce claim costs and lower premiums.

Medical Pay: In conversations with providers, encourage them to get the claim number from the injured worker for billing purposes. They need accurate claim numbers on their correspondence so bills can be quickly and easily processed.

Providers can help educate claimants by encouraging patients to file a claim immediately. Too often we get the excuse, "The doctor said he would file the claim." We need our providers to tell the injured worker they need a claim number for the bill, and it is up to the claimant to provide the number. This is a terrific way to get claims reported early, and improve the efficiency for providers.

Imaging: Claim numbers on all correspondence means Imaging gets it imaged right away. Without the number, it has to go through CSU which can take an extra day.

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Welcome Jim McCormick

Jim McCormick joined the State Fund as the Field Underwriter November 17. Jim's primary duties include meeting with insurance producers who are appointed to represent and sell for the State Fund and promoting our products and services. He will solicit new business prospects and coordinate a customer focused approach with our agencies, policyholders, and Claim and Underwriting Departments.

Jim brings thirteen years of experience in the insurance business to the Fund. For the past five years he has been an independent insurance agent in Helena. Prior to returning to Helena in 1992, he was a sales and marketing manager for USF&G Insurance Company in Oregon, Eastern Washington, Idaho, and Western Montana.

Jim was raised in Shelby and graduated from Montana State University with a degree in Business Marketing. He enjoys fishing and camping with his wife and two children. He also is an impulsive cook. Welcome Jim!

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NCCI Forum on Western States

On November 10, Carl Swanson and Senator John Harp had the opportunity to participate and share their ideas at the National Council of Compensation Insurers (NCCI) Forum on the West Coast. This was the first year NCCI conducted the forum and, due to its success, they plan to make it an annual event. Carl participated in a panel discussion on "The Evolution of State Funds and Employer Mutual Companies." He was joined by representatives from Hawaii, Texas, and Missouri. He presented an historical perspective of the State Fund and Montana's workers' compensation industry. He addressed the significant political involvement, unfunded liability, loss of competitive marketplace, and inadequate rates of the early 1980s and carried the discussion through to today's operations of an entrepreneurial and strengthened State Fund operating in a highly competitive and healthy market. Senator Harp moderated a discussion on "The Impact of Change on Safety and Fraud". This panel included members from both state funds and private carriers.

Some interesting points from the Forum:

- Montana is among 30 states with workers' comp managed care statutes.
- From 1980-1990, the annual growth of medical costs per lost time cases was 12%. From 1990-1996, the annual growth of medical costs per lost time cases was only 5%.
- From 1980 - 1990, the annual growth of the average cost per lost time case was 8%, From 1990-1996, the annual growth of the average cost per lost time case was 0%.
- The three year average of pre-tax operating gain for workers' compensation was 17%, compared with the same three year average for all lines of insurance which was 3%.

Employee of the Month

Stacy Ripple, LAN Manager, contributed above and beyond her normal high level of customer service during October. Stacy worked on preparations for backfile conversion and c the PAALS/AMPS project. She is our only internal support for the imaging system and through persistence and teamwork, she helped turn what could have been a catastrophic loss of data into a complete recovery. She recently earned the professional certification of Certified Network Administrator (CNA) and is studying for further advanced certification.

Stacy serves on three State Fund committees and one of her recent accomplishments is establishing a State Fund user group. This group facilitates communication throughout the State Fund. Stacy's coworkers say, "Stacy is such a joy to work with—always positive."

Congratulations, Stacy. The State Fund is lucky to have found such a dedicated, knowledgeable employee.

Kudos Kolumn

Kudos to Fred Lubke and Dave Gameon

A big thanks to these guys for all of their patience and sense of humor while installing our new work area.—Imaging Unit

Kudos to Kim Erickson

Mrs. Dean of Tim Dean Construction recently complimented Kim on her professionalism, friendliness, and willingness to help.

Kudos to Jean Ketchel

Thanks to Jean for helping to organize the PAALS Core Teams work load. Her participation and efforts are invaluable.—PAALS Core Team

Kudos to Mary Green

A claimant recently complimented Mary and said, "She was very patient and caring while taking my claim over the phone. She was professional and helpful."

Kudos to State Fund Employees

A policyholder, Mr. John Lindsey of Billings Bronze, recently told an employee, "he was very happy with the job everyone at the State Fund is doing." He is delighted with our company and the good work we all do.

Kudos to Lynn Mogstad

Helen at Association of University Radiologists recently complimented Lynn for the way she handled a call. She stated when she called she was frustrated and upset. She said, "Lynn was very professional and helpful. I am pleased with the service I receive whenever I call the State Fund."

Happy Thanksgiving!

Baby Block

Gigi Horvath (MIS) recently became a new mom for the third time. Her son, Isiah, joined her family on October 22 and weighed 7.5 pounds. Congratulations to Gigi and her family!

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Loss Control/Audit/Field Staff: Explain the advantages of early reporting when you work with customers.

Claim: Educate both the employer and injured worker when you make your three-way contact. If the employer has not yet filed a First Report, transfer the call to CSU so they can get the report.

Human Resources: They handle in-house injury claims. If you are injured, notify your supervisor immediately, and file your claim with HR. CSU does not take in-house first reports. Call Blair Johnson with any questions on in-house claims.

Human Resources

Personnel changes as of November 19, 1997

New Hires

Monica Abbott (Admin/Finance)
Susan Amicucci (Claim)
Jim McCormick (Underwriting)

Departures

Chuck Driscoll (Claim)
Verna Wallin (Admin/Finance)
Betty Hicks (Claim)
Virginia Amdahl (Claim)
Danielle Vincent (Admin/Finance)
Dan Whyte (Legal)
Monica Carson (Admin/Finance)

Promotions

Ben Jones—from Claim to Legal

Training Calendar

PPRP for Supervisors: Dec. 10
PPRP for Employees: Dec. 12
Conducting Performance Appraisals: Just in time for PPRP Midterm Reviews. **Dec. 10**
Managing Your Time: Organize your time to improve efficiency. **Dec. 11**
Selection and the Law: The legalities of hiring. **Dec. 16**
Windows 95: Basic information on the Windows 95 environment. **Jan. 8**
Effective Disciplinary Action: Jan. 8 & 9
Managing Your Time: Jan. 13
Getting to Know MIS: Jan. 14
Windows 95: Jan. 15
Effective Interviewing Skills: Jan. 15
Violence in the Workplace: Jan. 16
Win/Win Communication: Jan. 20 & 21
New Employee Orientation: Jan. 21
Windows 95: Jan. 22
EAP Orientation: Jan. 27
EAP Training for Supervisors: Required for supervisors. **Jan. 27**

Communications Workshop

By Aidan Myhre

I recently attended an AASCIF communications workshop and want to share my thoughts on where we are in terms of the way we do business. It is impressive.

First, I often think being small is a good thing—we learn to be more efficient and more creative. In other words, we accomplish a lot more with a lot less. As far as programs at other funds, we rank up there as a leader in our managed care programs, early reporting emphasis, and our aggressive fraud program.

I did discover that many of the newer, more independent mutual insurers like Missouri, Kentucky, and Maine are more aggressive in promotion and advertising. They hire advertising agencies and use TV, radio, and newspaper to promote all types of products and services.

Another interesting point is that most funds promote safety as their number one priority. Missouri has actually trademarked "Work Safe" as its program name.

AASCIF is the association of state funds. It provides information about leading edge issues and supports a forum for us to share ideas and programs.

Thanks for the Extra Effort!

Dwight Bernard recently went above and beyond the call of duty. Christy Weikart explains, "In October, an error occurred in our cancellation processing and contractor notices were late. I managed to get them generated and drug Dwight out of a meeting at 3:30. I asked him to please, please get the 500 documents mailed today. His response was, 'you betcha!' Within an hour I had confirmation they had all been mailed. I might add this is not unusual behavior for Dwight!"

Profiles

Special Accounts

Dan Glenny has been the Special Account Coordinator for 1 1/2 years. He oversees the management of accounts with EAP over $10,000, the agency program underwriting, and group underwriting. Dan worked at the State Fund from 1972-1984 and then with the Orion Group for seven years before returning to the State Fund.

Suzie Shute, Underwriter, prices individual accounts, works with association plans, and works with insurance producers. Suzie has been an Underwriting Services Assistant and Supervisor for the First Reporting Unit-Accident Cataloging. She earned a Bachelors Degree in Business Administration from Carroll College. Suzie's husband is a helicopter pilot for the National Guard, and she has a five-year-old son. In her spare time, Suzie enjoys cooking, aerobics, racquetball, and spending time with her family.

Connie Ferriter has been an Underwriter for six years. She works with the NFIB group plan, codes claims for Unit 5, and provides quotes to producers. Her previous positions include Data Entry Tech, Accounting Tech, and Underwriting Tech Assistant. Connie is a Helena native and has three children and two grandchildren. In her spare time she enjoys camping, crochet, and making crafts.

Bernard Hewitt, Unit 5 Underwriter, works with the Montana Stock Growers Association and provides producers with quotes. Bernie earned a BA from Carroll College.

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Please call 444-6502 with comments or suggested articles.

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PIA Convention -Bozeman

This week, a number of State Fund employees will attend the Professional Insurance Agents (PIA) conference in Bozeman. This event is a wonderful opportunity for State Fund representatives to network with individuals in the insurance industry and share information about the State Fund. Mark Karvelis will be setting up a booth at the convention to provide information about the State Fund to producers. Carl Swanson will be the guest speaker at Friday's breakfast meeting. The convention begins on Wednesday and concludes Saturday morning. For all those participating, we hope the convention is a success!

Halloween Festivities

Halloween at the State Fund was a great time for everyone! Thanks to all who participated in the costume and decoration contests. And a special thanks to Nance Hughes, Holly Wood, and the Special Activities Committee for donating the prizes.

President's Message

November 20, 1997

Dear State Fund Employees:

Significant efforts are underway at the State Fund to introduce new technology to our operations and focus on automation in our Underwriting department and medical bill processing. These efforts will round out the effort that began in 1994 with the introduction of BIS. Having these new systems in place represents important enhancements to our ability to be competitive in the marketplace and to provide high quality customer service.

Recently we were made aware that delays in the development of the PAALS/AMPS project will occur. After examining the situation carefully and meeting with our vendor, the Executive Staff and I have made some decisions surrounding a planned date for implementing them. We believe these systems are critical to our success, however our commitment to a quality product and a successful implementation is of equal importance. In addition, we are very concerned about disrupting our rate making and renewal processes in the spring and summer with the launch of a new system. Consequently, we have decided to delay the PAALS and AMPS project implementation to October 1, 1998. Our vendor, IEI will be delivering the completed systems to us June 1, 1998 at which time we will enter into training and user acceptance testing. We believe this allows us to complete the kind of job necessary to ensure minimum disruption of our operations and the implementation of our new systems.

For those involved in the project, we need to keep in mind this delay does not represent a reduction of commitment to the project. Nor does it signal that we can sit back and relax for a few months. It is absolutely critical we stay focused to meet all our commitments and time lines to the project and, when possible, complete our task ahead of schedule.

For those indirectly involved, we are confident this project will go smoother than our experience with BIS. Lessons have been learned. On the other hand, as we approach implementing the new systems, be prepared for the obstacles inherent in every new system. Time is critical to make everything work smoothly.

In conclusion, I applaud the efforts of everyone involved to-date in the AMPS, PAALS and BIS projects. There has been a lot of hard work and dedication. I recognize it and appreciate it. I believe all your hard work will result in the State Fund achieving its goals and mission.

Respectfully,
Carl